

THE A.W.
MELLON

EDUCATIONAL

AND
CHARITABLE

TRUST

Founded in 1930 by Andrew W.
Mellon

A REPORT OF ITS WORK

FOR THE YEAR 1967

PITTSBURGH, PENNSYLVANIA 15219

efforts through grants to numerous public and private organizations devoted to planning, renewal, conservation, and cultural affairs.

In 1958, the Trustees decided to cease making appropriations and grants out of principal, to stabilize the principal of the Trust at approximately \$20,000,000, and to make future grants only out of income.

In carrying out its grant-making function, the Trust endeavors to apply certain principles and policies.

First, grants are concentrated in the Pittsburgh area. The Pittsburgh needs continue to grow so continuously and urgently that it has been necessary to confine recent grants more narrowly to the city itself.

Second, as early as 1950, the Trust emphasized that grants would not be made to institutions or programs which have a sound basis for support from the general public or from some segment of the public. Foundation grants account for only 9% of the nation's charitable budget and are necessarily limited. They cannot replace the need for broad support from the living community.

Third, grants are conceived as *enabling*. This is to say, they are intended to enable creative leadership in the community affairs of the Pittsburgh area to demonstrate and develop improved and more effective patterns of operation. Such innovative funds are seldom available from the normal sources upon which public and civic agencies depend.

Fourth, since 1959, the Trust's grant program has

placed
emphasis on the following four fields:

EDUCATION: with special reference to the hu
manities and liberal education,
and to the quality of education
for
the talented in the public schools

THE ARTS: an interest in the fine arts,
drama,
music, architecture, poetry,
and the
CONSERVATION: cultural aspects of the
the preservation of natural
areas
for the people in perpetuity;
the
streams and forests,
strategic open
those acts of civic
forethought by
which a community takes
command
of its own future, seizing its
oppor

PLANNING:

There follows a complete list of grants paid during
1967,
together with relevant financial statements and the
invest
ment portfolio as of December 31, 1967.
Since its establishment in 1930, the Trust has
appropriated
\$163,216,344 for philanthropic purposes.

THE A. W. MELLON
EDUCATIONAL AND CHARITABLE
TRUST
SUMMARY OF GRANTS

January 1 to December 31, 1967

PITTSBURGH PLAYHOUSE SCHOOL OF
THE THEATER

Third and fourth payments under a 1966
grant of \$450,000 for the support of a
professional theater program \$150,0
--

UNIVERSITY OF PITTSBURGH

Third payment under a 1965 grant of
\$250,000 to increase the library collec-
tions in the areas of the Andrew Mellon
Professorship and Fellowship Program \$ 50,000

To the Graduate School of Public and
International Affairs:

Fourth payment under a 1964 grant of
\$125,000 to establish a series of West-
ern European Fellowships \$25,000

Fourth and final payment under a
1964 grant of \$24,000 to the Institute
of Local Government for a four-year
program of extension education for
local officials 6,000 31,000

For refurbishment of the English Class
room 15,000

UNIVERSITY OF PITTSBURGH (<i>continued</i>)		5 15,000
Eighth and final payment under a 1959		
grant of \$400,000 to develop a Department of Preventive Medicine which would integrate preventive and comprehensive care concepts into all phases of		10,000
the School of Medicine curriculum		6,000
Fourth payment under a 1964 grant of \$262,000 for the continuation of the research activities of Dr. R. A. McConnell		2,000
in the field of psychological physics		\$100,000
Fifth and final payment under a 1961 grant of \$30,000 to support a cooperative lectureship between the British-American Associates and the University of Pittsburgh		20,000
'hird and final payment under a 1965 grant of \$10,000 to subsidize the <i>American Philosophical Quarterly</i> for a period of three years to enable it to become self-supporting		
THE PITTSBURGH SYMPHONY SOCIETY		
First payment under a 1966 grant of \$500,000 toward an Endowment Fund to be created to match the Ford Foundation grant of \$2,000,000		
Second payment under a 1966 grant of \$76,000 for operating expenses		
MOUNT MERCY COLLEGE		
Third and final payment under a 1964 grant of \$293,550 for a three-year development study		
CARNEGIE LIBRARY OF PITTSBURGH		
Payments under a 1966 grant of \$325,000 for the administration and operation of a Poetry Center		\$129,00
To the International Poetry Center for support of the publication of an Anthology of Modern Russian Poetry		
To the International Poetry Center to establish an Art Poster Fund		120,00
	\$ 5,000	76,604
[H]	65,000	0050

CARNEGIE INSTITUTE		
For the 1967 Pittsburgh International Exhibition of Painting and Sculpture		\$ 50,000
METROPOLITAN PITTSBURGH		
EDUCATIONAL TELEVISION STATION WQED		
Final payment under a 1966 grant of \$100,000 toward a capital fund and de velopment project for the construction of a new building and for staff and pro gram development		
WESTERN PENNSYLVANIA CONSERVANCY	50,00	
Fifth and final payment under a 1963 grant of \$135,000 toward a five-year ex	0	
tension of the program of administra tive development of a regional project of land acquisition, conservation edu cation, and planning		
PITTSBURGH OPERA, INC.		
For operating funds for the 1967-1968 season	25,00	
UNIVERSITY OF PENNSYLVANIA	0	
To the Foreign Policy Research Insti tute, first payment under a 1967 grant of		
§75,000 for research in Atlantic Studies	25,00	
CHATHAM COLLEGE	0	
Second payment under a 1966 grant of \$120,000 for the enrichment of the li brary by purchase of books and periodi cals		
For continuation of a program of sup port of a Pittsburgh Fund for Negro Students in cooperation with the Na tional Scholarship Service and Fund for Negro Students, New York, New York, and with the University of Pittsburgh and Carnegie Institute of Technology	\$20,00	
ACTION-HOUSING, INC.	0	
Fifth and final payment under a 1963 grant of \$50,000 for the support of the Neighborhood Urban Extension Pro gram		
	1,000	21,000
	10,0	
	00	

THE ATLANTIC COUNCIL OF
THE UNITED STATES, INC.

Second payment under a 1966 grant of
\$25,000 for the benefit of the Atlantic
Institute

NATIONAL SCHOLARSHIP SERVICE AND
FUND FOR NEGRO STUDENTS

For scholarship aid

5
10,000

AMERICAN INSTITUTE OF PLANNERS
PITTSBURGH REGIONAL CHAPTER

For support of the National

Conference

of the Institute of Planners, held in
Washington, D.C., in October, 1967

6,000

AMERICAN WIND SYMPHONY ORCHESTRA
For operating expenses of the
Orchestra
for 1967

5,000

NEGRO EDUCATIONAL EMERGENCY DRIVE
For scholarship funds

5,000

HE VANGUARD THEATER PROJECT
For operating funds for the 1967-1968
season

5,000

ARTS AND CRAFTS CENTER OF THE
CITY OF PITTSBURGH

5,000

Third and final payment under a 1965
grant of \$24,000 for administrative staff
salaries

CARNEGIE INSTITUTE OF TECHNOLOGY

For continuation of a program of sup
port of a Pittsburgh Fund for Negro
Students in cooperation with the Na
tional Scholarship Service and Fund
for Negro Students, New York, New
York, and with the University of Pitts
burgh and Chatham College

4,000

NATIONAL GALLERY OF ART

Second payment under a 1966 grant of
\$q 000 for continuation of an art educa
tion program in the Pittsburgh Public

3,0
00

Schools

MISCELLANEOUS

TOTAL

3,00
0
15,0
\$848.4
00
50
—

SUMMARY OF GRANTS

1967

	Unpaid Jan. 1, 1967	Appropriation	Payments	Unpaid Dec. 31, 1967
Education	\$ 845,000	\$113,836	\$359,28	\$ 567,000
/Arts	1,251,00	79,350	446,350	884,000
EPlanning	1,400,30	30,35 ⁸	16,81	1,413,
(Conservation)	0	0	26,00	844 0
	<u>\$3,522,30°</u>	<u>\$223,544</u>	<u>\$848,45</u>	<u>\$2,864,</u>
			0	844

•• \$599.55° minus \$32,550 rescinded in 1967

1930-1967

1930-1966

\$ 79,081,732

§ 16,387,562				
5,385,000				
4,211,250				
<u>2,831,156</u>				11,050,000

§ 39,864,968 National Gallery of Art

\$ 12,896,829 University of Pittsburgh:				
Graduate School of Public Health				
Khool of Medicine				
Other Health Center Grants				\$ 5> ¹ 37>5°°
<u>692,343</u>				
\$ 5,829,843 Andrew Mellon Professorships, etc.				
Other University Grants				

\$ 4,189,866

\$ 2,171,865 Mellon Institute of Industrial Research

\$ 3,768,354 Chatham College

3,199,643

2,079,127 Mellon Square Park

819,000

780,950 Other Grants:

725,186 Education

Arts

Planning

Conservation

Religion

Carnegie Institute of Technology:

Research and College of Fine Arts Endowment,

et War Relief

General Charities

[17]

1967 1930-1967

			\$ 835,000
<u>3,260,541</u>			
§ 15,467,947			
			§ 3,000 S 79,084,75
			\$
			\$ 16,387,56
			\$ 15,000 5,400,00C
			\$ 50,00 4,2H,25
			\$ 0 11,100,00C
			<u>\$ 2,805,00</u>
			§ 129,75
			\$ 0 20,004*71
			\$ 3,85 \$
			\$ 0 12,900,67
			§
			§ 4,50 696,84
			<u>§ 5,834,34</u>
			\$ 21,00 \$
			\$ 0 4,210,86
			<u>\$ 2,171,06</u>
			\$
			\$ 204,036 \$ 3,972,39
			\$ 439,5° 3»639«H
			\$ 16,814 2,096,08
			\$ 26,000 845,00
			\$ 780,95.
			\$ 725,18!
			\$ 835,0a
			<u>3,260,54</u>
			\$ 686,350 \$
			\$ 16,154,297
			\$ 848,450
			\$ 5160,351,50c
<i>Total Payments</i>	[18]	?i59,5°3'°5°	
		\$ 3,522,300	
<i>Unpaid Appropriations</i>			
<i>Total Payments and</i>		\$ 163,025,35	S 2,864,841
<i>Unpaid</i>	0	\$ 163,216,3	
<i>Appropriations</i>	[18)	41	

FINANCIAL STATEMENTS

THE A. W. MELLON
EDUCATIONAL AND CHARITABLE TRUST

Balance Sheet as of December 31, 1967

ASSETS	
Cash	\$ 109 23
Purchased interest receivable	1,039
Investments (at fair values at dates of acquisition or at cost):	
United States Government obligations (quoted market value \$2,621,142)	\$2,757, ⁰⁰ her bonds (quoted market value >5,427,288)
Common stocks (quoted market value \$16,798,778)	6,436,458 9,766,303
Land and coal properties	<u>86,756</u>
Total investments	<u>19,047,471</u>
Prepaid expense	14,98!
	<u><u>\$19,17</u></u>
	<u><u>2,724</u></u>

PRINCIPAL

Appropriated for contributions	<u>16,307,880</u>
Unappropriated balance	<u><u>\$19,17</u></u>
	<u><u>2,724</u></u>

The quoted market value of securities at December 31, 1967 is \$5,886493 in excess of the book carrying value.

Office equipment and furnishings with a cost value of \$33,125 became fully depreciated in 1962.

THE A. W. MELLON
EDUCATIONAL AND CHARITABLE TRUST

*Statement of Income and Changes in Principal Account
Year ended December 31, 1967*

Income:	
Interest on United States Government	\$108,426
Interest on other bonds	321,164
Dividends	533» ⁹ ₆
Income from operations of real estate and coal properties	2,127
	<hr/>
	964,813
Less—Investment and real estate expenses	<hr/> <u>20,99⁶</u>
Total income, less investment and real estate expenses	S 943- ⁸¹ ₇
General and administrative expenses:	
Salaries	46,467
Provision for employees' pensions	33, ⁰ ₈
Legal and accounting fees	3-95 ⁰
Travel and incidental expenses	4.256
Office rent and building expenses	9. ⁸ ₃₆
Office supplies and expenses	6,892
Other services	1.294
	<hr/> 105,7
Net income for the year	838,1
Contributions made from income	<u>14</u> <u>848.4</u>
Excess of contributions from income over net income for the year, charged to principal	(10.3)
Principal balance, January 1, 1967	18,655 ² ₈₁₂
Gain (net) on disposal of investments	<u>527.2</u>
Principal balance, December 31, 1967	<u>\$19.172.724</u>

**THE A. W. MELLON
EDUCATIONAL AND CHARITABLE TRUST**

Investments as of December 31, 1967

FIXED INCOME SECURITIES

	Face amount	Book value	d	Quote marke
United States Government Obligations:				
Treasury Notes:				
5 ¹ / ₄ % due November 15, 1968	\$ 300,000	I 298,969	§	
4 ¹ / ₄ % due February 15, 1972	50,000	49,812	298,875	17 006
Treasury Bonds:				
4%, due August 15, 1972	150,00	149,437	139,	
4%, due August 15, 1973	0	197,781	594	
3%, due November 15, 1974	200,00	295,5 ⁰	183	
4 ¹ %, due August 15, 1992	0	288,938	,75 ⁰	260
200 00				
Federal National Mortgage Association Participation Certificates:				
4.70%, due December 1, 1977	500,00	500,000	500,	
5 ³ / ₄ %, due June 22, 1981	0	500,000	000	457
500 00				
Farmers Home Administration Notes,				
35-Year issue, 5 ¹ / ₄ %, due July 7, 2001	7	<u>477.51</u>	<u>477.51</u>	<u>477.</u>
367,193	<u>7</u>	<u>477.51</u>	<u>517</u>	<u>477.501</u>
Other Bonds:				
Railroad Equipment Trust Southern Pacific Company, 4 ¹ / ₄ % January 1971	\$ 100,000	1 95,175	§	§
\$ 367,193				
\$ Missouri Pacific Railroad Company, 4 ¹ / ₄ %, 1st Mtge., January 1, 2005	<u>448,500</u>	<u>815,693"</u>	<u>378,500</u>	<u>—</u>
\$ 448,500	<u>500,000</u>	<u>815,693"</u>	<u>378,500</u>	<u>—</u>
\$ 400,00	<u>0</u>	<u>—</u>	<u>—</u>	<u>—</u>

Railroad:

THE A. W.
MELLON
EDUCATIONAL AND CHARITABLE TRUST

Investments as of December 31, 1967

FIXED INCOME SECURITIES	Face amount	Book value	Quoted market value
•Other Bonds (Continued):			
Public Utility:			
South Carolina Electric & Gas Co.,			
November i, 1987	\$ 410,000	\$ 410,000	\$ 35 ⁸ '258
Quebec Hydro Electric	203,00	199,44	161,9
5% Deb., February 15, 1988	0	8	57
British Columbia Electric Co.,	500,00	5 ⁰⁶ .39i	415,0
5 ^{1/2%} » ^{1st} Mtge., March 1, 1989	0	00	
General Telephone Co. of	300,00	300,92	239'2
5%, 1st Mtge., December 1, 1995	0	9	50
43% Deb., June 1, 1998	300,00	3 ⁰¹ > ⁸⁷	235'5°
Public Service Electric & Gas Co.,	0	5	°
6% Deb., July 1, 1998	88,000	104,76	82,9
Southern Bell Telephone & Telegraph Co.,		0	40
4 ⁴ % Deb., September 1, 2000	300,000	303,60	239.25°
	\$2,101,000	0	<u>\$1,732.15</u>
		\$2,127,003	5
Industrial:			
5 ⁴ % Deb., December 1, 1977	\$ 200,000	\$ 216,088	\$ 179.750
Westinghouse Electric			
\$y ₂ % Deb., December 15, 1981	220,00	198,00	161,700
American Brake Shoe Company,			
414% Deb., February 1, 1982	200,00	205,750	156,000
Sinclair Oil Corporation,			
43% Conv. Sub. Deb., December 1, 1986	300,000	292,809	321,000

THE A. W. MELLON
EDUCATIONAL AND CHARITABLE TRUST

Investments as of December 31, 1967

FIXED INCOME SECURITIES	<u>Face amount</u>	<u>Book value</u>	Quoted market value
Other Bonds (<i>Continued</i>)			e
Industrial (<i>Continued</i>)'			
Phillips Petroleum Company, 414 % Conv. Sub. Deb., February 15, 1987	\$ 150,000	\$ 153,408	\$ - - -
Gulf Oil Corporation, 5.35% Deb., June 15, 1991	300,00	300,00	26
	<u>\$1,370,000</u>	<u>\$1,366,05</u>	<u>?</u>
	5		b25 ⁸ .7 ^M
Finance:			
General Motors Acceptance Corp.,	\$ 200,000	\$ 169,645	\$ - - -
Montgomery Ward Credit Corp., 514% Sub. Deb., February 1,	300,00	301,50	24
C.I.T. Financial Corporation, 454% Deb., May 1, 1989	300,00	297'75	22
Chase Manhattan Bank, 4.60% Capital Notes, June 1,	300,00	299-	23
First National City Bank of New York,			
4% Conv. Capital Notes,	300,00	S^-	26
Household Finance Corporation, 4% Deb., September 15,	300,00	298,50	22
	<u>\$1,700,000</u>	<u>\$1,680,14</u>	<u>\$1,362, 895</u>
	5		
Miscellaneous:			
Municipality of Metropolitan Toronto, 514% Deb., March 2, 1979 \$ 350,000	\$ 352,387	\$ - - -	\$ - - -
	<u>\$6,521,000</u>	<u>\$6,436,45</u>	<u>\$5,427, 288</u>
	8		

THE A. W. MELLON
EDUCATIONAL AND CHARITABLE TRUST

Investments as of December 31, 1967

COMMON STOCKS	Share	Book value	Quoted market value
Electrical Equipment:			
Hewlett-Packard Company	12,00	3 453,458	\$ 1,470,00
Westinghouse Electric Corporation	21,00	348,6	
		<u>\$ 802,104</u>	<u>\$ 1,470,00</u>
Public Utility:			
American Natural Gas Company	9,075	\$ 200,603	? 328,969
Central and South West Corporation	7,000	244,5	325,5
General Public Utilities Corporation	10,81	316,5	297,4
Ohio Edison Company	16,00	304,9	404,0
Public Service Electric & Gas Company	10,00	312,4	328,7
Virginia Electric & Power Company	6,000	159,2	261,7
		<u>\$ 1,520,406</u>	<u>3,146,400</u>
Oil:			
Gulf Oil Corporation	25,00	3 79,825	\$ 1,000,27
Bank and Finance:			
Bank of the Southwest, N. A.	4,830	\$ 203,202	\$ 164,
First National Bank of Boston	3,0	188,	334.
Mellon National Bank and Trust	5,1	298,0	
C. I. T. Financial Corporation	8,0	286,4	262,
Household Finance Corporation	14,00	244.	435.
Southeast Bancorporation, Inc.	4,000	120,	136,
Western Bancorporation	10,00	333.	280,
		<u>\$ 1,672,704</u>	<u>3,772,240</u>
Miscellaneous:			
General Foods Corporation	3,000	3 255,174	3
Motorola, Inc.	2,200	2394	257.
North American Rockwell Corporation	5,880	223,097	235.
J. C. Penney Company	3	196,015	197.
Time, Incorporated	4,0	413.	389.
Weyerhaeuser Company	8,000	318,	315,
		<u>\$ 1,645,910</u>	<u>\$ 1,602,32</u>

THE A. W. MELLON
EDUCATIONAL AND CHARITABLE TRUST

Investments as of December 31, 1967

COMMON STOCKS (<i>Continued</i>):	Shares	Book value	Quoted market value
Office Equipment:			
International Business Machines	1,366	\$ 121,8	§
National Cash Register Company	2,100	150,2	279,300
Xerox Corporation	1,400	416,970	42
	L	689,078	\$ 1,550.00
Metals—Nonferrous:			
aluminum Company of America	10,000	\$ 130,8	S
International Nickel Company of Canada, Ltd.	5,000	459'457	58
	L	590'29.	3 000.00
comobile and Truck:			
Ford Motor Company	8,000	\$ 264,551	§
General Motors Corporation	8,870	113'!	72
		377'743	3 000.00
Glass:			
Owens-Corning Fiberglas Corporation	4,000	\$ 318,798	§
Pittsburgh Plate Glass Company	10,200	186,5	66
	£	505'299	§ 000.00
Drug:			
Sterling Drug, Inc.	7,500	\$ 299'592	3
G. D. Searle & Company	6,000	344,112	34
	L	643'704	3 725.00
Miscellaneous Equipment:			
Ex-Cell-O Corporation	14,000	\$ 275'695	3 521.00
Steel:			
United States Steel Corporation	6,000	\$ 315'460	3
Youngstown Sheet and Tube Company	6,000	144,9	18
	L	460,372	3 422.00

THE A. W. MELLON
EDUCATIONAL AND CHARITABLE TRUST

Investments as of December 31, 1967

COMMON STOCKS (<i>Continued</i>):	Shar	Book value	d	Quote marke
Insurance:				
General Reinsurance Corporation	1,0	\$ 283,708	S	
Hartford Fire Insurance Company	5,1	133.875	116,662	
		<u>§ 417.583</u>		<u>\$</u>
Agricultural Equipment:				
Deere and Company	3,000	§ 66,529	§	
		<u>§ 9,766.303</u>	<u>\$16,798.</u>	<u>778</u>

SUMMARY

Fixed Income Securities:

United States Government Obligations	- - - - -	§	\$
Other Bonds		<u>6,43⁶.4</u>	<u>5,427.[^]</u>
		§	\$
Common Stocks		<u>9,766.</u>	<u>16,798.⁷</u>
		<u>\$18,960.</u>	<u>\$24,847.⁷</u>
	715		208

TO THE TRUSTEES OF

THE A. W. MELLON EDUCATIONAL AND CHARITABLE TRUST

JLN OUR OPINION, the accompanying balance sheet and related statement of income and changes in principal account present fairly the financial position of The A. W. Mellon Educational and Charitable Trust at December 31, 1967 and its income and changes in principal account for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted

auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in

the circumstances, including confirmation of the securities owned at December 31, 1967 by correspondence with the custodian.

We have heretofore examined the accounts of the Trust for the period

from its inception, December 30, 1930 to December 31, 1966, and have

previously reported upon the financial statements annually during such period.

PRICE WATERHOUSE & CO.

Pittsburgh, Pa.
March 13> 1968